



October 28, 2004

James R. Schwartz, Esq.
Manatt, Phelps & Phillips, LLP
11355 W. Olympic Blvd.
Los Angeles, California 90064

RE: St. Dominic's Hospital

Dear Mr. Schwartz:

The Attorney General hereby consents, pursuant to Corporations Code section 5920, to the sale of St. Dominic's Hospital by Catholic Healthcare West (CHW), a nonprofit public benefit corporation, to Kaiser Foundation Hospitals, Inc., a nonprofit public benefit corporation. The Attorney General's consent is [subject to the attached conditions](#), which are incorporated by reference herein.

Corporations Code section 5923 and section 999.5, subdivision (f) of title 11 of the California Code of Regulations set forth factors that the Attorney General must consider in determining whether to consent to a transaction between nonprofit public benefit corporations. The Attorney General has reached the following conclusions regarding these factors:

- (1) The terms and conditions of the transaction are fair and reasonable to CHW.
- (2) The transaction will not result in private inurement to any private person or entity. None of the officers or directors of CHW have a material financial interest in the transaction.
- (3) The purchase price and other terms and conditions in the Asset Purchase Agreement are the fair market value of the transaction.

(4) The parties to the transaction have not manipulated the market value of St Dominic's Hospital in a manner that causes the value of the assets to decrease.

(5) CHW's proposed use of the sale proceeds is consistent with any charitable trusts imposed upon St. Dominic's Hospital.

(6) The transaction, as conditioned, will not have any immediate adverse effect on the availability and accessibility of health care services in the St. Dominic's Hospital service area.

(7) The transaction will not have a significant anti-competitive effect on healthcare services in the relevant geographic market.

(8) Sufficient information has been provided to the Attorney General for an adequate evaluation of the transaction and its effects on the public.

(9) The transaction is in the public interest.

Thank you for your cooperation and that of your client and the purchaser throughout the review process.

Sincerely,

MARK J. URBAN
Deputy Attorney General

For **BILL LOCKYER**
Attorney General

MJU:mb

Attachment